

6048

FAMILY LIFE COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL REPORT REVIEW
SHREVEPORT, LOUISIANA
DECEMBER 31, 2008 and 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12/16/09

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To the Board of Directors
Family Life Community Development Corporation
Shreveport, Louisiana

We have reviewed the accompanying statement of financial position of Family Life Community Development Corporation (a nonprofit organization) as December 31, 2008 and December 31, 2007, and the related statements of activities and net assets, and cash flows for the years ending December 31, 2008 and December 31, 2007, in accordance with Statements on Standards for accounting and review Services issued by the *American Institute of Certified Public Accountants*. All information included in these financial statements is the representation of the management of Family Life Community Development Corporation.

A review consist principally of inquires of the organization personal and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Our review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with general accepted accounting principles. The information included in the accompanying Statement of Functional Expenses on pages ten, eleven and twelve is presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of basic financial statements, and we are not aware of any material modifications that should be made thereto.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

In accordance with Louisiana Governmental audit guide and provisions of the state law, we have issued a report, dated May 24, 2009, on the results of our agreed-upon procedures.



Agee and Agee, PC

May 24, 2009

FINANCIAL STATEMENTS
DECEMBER 31, 2008

Family Life, Community Development Corporation
Statement of Financial Position
December 31, 2008

Assets

Current Assets

Capital One	\$ 160
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Property and Equipment

Furniture and Fixtures	\$ 10,374	
Computer Equipment	18,404	
	<hr/>	28,778
Less: Accumulated Depreciation		(21,374)
		<hr/>
		7,404

Total Assets

\$ 7,564

Liabilities and Net Assets

Current Liabilities

Note Payable	\$ 94,081
SUTA	121
	<hr/>
	94,202

Net Assets

Unrestricted	(86,638)
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Total Liabilities and Net Assets

\$ 7,564

See accompanying notes and accountant's report

Family Life, Community Development Corporation
Statement of Activities and Net Assets
For The Year Ended December 31, 2008

Revenue and Support

TANF DSS Grant	\$ 21,861
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Total Revenue and Support	<u>21,861</u>
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Expenses

Department of Labor Grant	222
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TANF DDS Grant	7,708
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Support Services	<u>1,100</u>
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Total Expenses	<u>9,030</u>
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Change in net assets	<u><u>\$ 12,831</u></u>
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Net assets, beginning of the year	\$ (99,469)
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Net assets, end of the year	<u><u>\$ (86,638)</u></u>
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See accompanying notes and accountant's report.

Family Life, Community Development Corporation
Statement of Cash Flows
For The Year Ended December 31, 2008

Cash Flows From Operating Activities

Net Income	\$ 12,831
Adjustments to reconcile changes in net income to net cash provided (used) by operating activities:	
Federal Withholding	\$ (918)
FICA/MIT Withholding	(2,194)
State Withholding	(1,239)
SUTA Payable	<u>(206)</u>
Net cash provided (used) by operating activities	(4,557)

Cash Flows From Financing Activities

Payments on line of credit	<u>\$ (17,551)</u>
Net cash used by financing activities	(17,551)

Net Decrease in Cash and Cash Equivalents	<u>\$ (9,277)</u>
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Cash, beginning of the year	\$ 9,437
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Cash, end of the year	<u>\$ 160</u>
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See accompanying notes and accountant's report.

FINANCIAL STATEMENTS
DECEMBER 31, 2007

Family Life, Community Development Corporation
Statement of Financial Position
December 31, 2007

Assets

Current Assets

Capital One	\$	9,437
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Property and Equipment

Furniture and Fixtures	\$ 10,374	
Computer Equipment	18,404	
		28,778
Less: Accumulated Depreciation		(21,374)
		7,404
		\$ 16,841

Liabilities and Net Assets

Current Liabilities

Note Payable	\$	111,632
FICA/MIT Withholding		2,194
State Withholding		1,239
Federal Withholding		918
SUTA Payable		327
		116,310

Net Assets

Unrestricted		(99,469)
Total Liabilities and Net Assets	\$	16,841

See accompanying notes and accountant's report

Family Life, Community Development Corporation
Statement of Activities and Net Assets
For The Year Ended December 31, 2007

Revenue and Support	
CDBG Grant	\$ 12,933
Department of Labor Grant	48,266
TANF Grant	44,409
TANF DSS Grant	126,002
Miscellaneous	<u>165</u>
Total Revenue and Support	<u>231,775</u>
 Expenses	
CDBG Grant	2,737
Department of Labor Grant	35,495
TANF Grant	98,211
TANF DDS Grant	81,643
Support Services	<u>68,467</u>
Total Expenses	<u>286,553</u>
 Change in net assets	 <u><u>\$ (54,778)</u></u>
 Net assets, beginning of the year	 \$ (44,691)
 Net assets, end of the year	 <u><u>\$ (99,469)</u></u>

See accompanying notes and accountant's report.

Family Life, Community Development Corporation
Statement of Cash Flows
For The Year Ended December 31, 2007

Cash Flows From Operating Activities

Net Income \$ (54,778)

Adjustments to reconcile changes in net income to
net cash provided (used) by operating activities:

Purchase of Computer Equipment	\$ (1,300)
Federal Withholding	1,290
FICA/MIT Withholding	2,194
State Withholding	1,239
SUTA Payable	<u>328</u>

Net cash provided (used) by operating activities 3,751

Cash Flows From Financing Activities

Draws on line of credit	<u>\$ 49,004</u>
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Net cash used by financing activities 49,004

Net Decrease in Cash and Cash Equivalents	<u><u>\$ (2,023)</u></u>
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Cash, beginning of the year	\$ 11,460
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Cash, end of the year	<u><u>\$ 9,437</u></u>
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See accompanying notes and accountant's report.

Family Life Community Development Corporation
Notes to the Financial Statements
At December 31, 2008 and 2007

Note 1: Summary of Significant Accounting Policies:

Family Life Community Development Corporation (Family Life CDC) is a six-year-old grass roots, non-profit faith based organization located in Shreveport, Louisiana. The agency provides educational services in Caddo Parish and Bossier Parishes to children of needy families.

- a. *Basis of presentation.* The statements are presented in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not -for-Profit Organizations, which requires the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The organization has no permanently restricted net assets. In addition, the organization is required to present a statement of cash flows.
- b. *Revenue and Public Support.* All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Contribution of donated noncash assets (such as materials and equipment) are recorded at their fair or estimated values in the period received.
- c. *Cash and Cash Equivalent.* For purposes of statement of cash flows, the Organization considers all unrestricted cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.
- d. *Property and Equipment.* Property and equipment are stated at cost or if contributed, at fair market value at the date of donation. Depreciation is provided on a straight-line basis over the estimate life of the related assets. Depreciation expense for the years ending December 31, 2008 and 2007 both total to zero.
- e. *Tax Exempt Status.* The organization is granted tax-exempt status under Internal Revenue Code Section 501 (c) (3). In addition, the Organization qualifies for charitable contribution deduction under section 170(b) (1) (a) and has been classified as an organization that is not a private foundation under Section 509(a) (2). According, no provision for income taxes has been made in these financial statements.
- f. *Allocations of Functional Expenses.* Expenses are summarized on a functional basis. Salaries and related payroll expenses are distributed based upon the time spent for each function. Distribution of all other shared expenses is based upon management's estimates of the usage application to conduction various program or support activities.

Family Life Community Development Corporation
Notes to the Financial Statements
At December 31, 2008 and 2007

- g. *Use of Estimates.* The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2: Litigation:

At December 31, 2008 Family Life CDC has no litigation or claims pending.

Note 3: Summary of Grants/Contracts Funding:

Family Life CDC's primary sources of support are from grants awarded by the state. Management is continually seeking funding for the upcoming years through renewals of current grants as well as by applying for new grants; however, in the event the Organization is unable to secure additional funding, the financial position of the Organization could be impacted.

Funding Source	Grant/Contract Number	Grant/Contract Period	Total Grant/Contract	Recognized Support 2008	Recognized Support 2007	Recognized Total Support
LA Dept. of Soc. Services	631961	01/01/06-12/31/07	\$ 150,000		\$ 44,409	\$ 44,409
US Dept. of HUD	PR0626219	01/01/06-12/31/07	25,000		12,933	12,933
LA Dept. of Soc. Services	93558	05/01/07/12/31/08	247,892	21,861	126,002	147,863
US Dept. of Labor	17261	07/01/06-12/31/07	75,000		48,266	48,266
		Totals	<u>\$ 497,892</u>	<u>\$ 21,861</u>	<u>\$ 231,610</u>	<u>\$ 253,471</u>

SUPPLEMENTAL SCHEDULES

Family Life, Community Development Corporation
Statement of Functional Expenses
For The Year Ended December 31, 2008

CFDA No.	CDBG Grant PR0626219	DOL Grant 17.261	TANF Grant 631961	TANF DSS Grant 93.558	Support Services	Total
Acct. & Prof. Exp.				\$ 430		\$ 430
Administrative				200		200
Advertising						-
Auto Expense						-
Bank Charges						-
BTDT Mentorship						-
Contract Services				1,548		1,548
Dues and Subs					\$ 105	105
Emer. Soc. Services						-
Food						-
Fringe Benefits				(1,420)		(1,420)
Insurance				(351)		(351)
Miscellaneous				(305)		(305)
Payroll Tax Expense					735	735
Postage						-
Printing Expense						-
Prop. Tax Expense						-
Rent				2,800		2,800
Repairs & Maint.						-
Salary Expense		222		4,231	260	4,713
Supplies						-
Telephone				575		575
Travel						-
Utilities						-
	\$ -	\$ 222	\$ -	\$ 7,708	\$ 1,100	\$ 9,030

See accompanying notes and accountant's report.

Family Life, Community Development Corporation
Statement of Functional Expenses
For The Year Ended December 31, 2007

CFDA No.	CDBG Grant PR0626219	DOL Grant 17.261	TANF Grant 631961	TANF DSS Grant 93.558	Support Services	Total
Acct. & Prof. Exp.			\$ 2,443	\$ 2,005		\$ 4,448
Administrative		\$ 3,477		1,895	\$ 1,211	6,583
Advertising				983		983
Auto Expense	\$ 232	60		3,743		4,035
Bank Charges					128	128
BTDT Mentorship				990		990
Contract Services			5,530	7,207	1,410	14,147
Dues and Subs					210	210
Emer. Soc. Services				1,167		1,167
Food	464	279	1,855	1,136	106	3,840
Fringe Benefits				5,470		5,470
Insurance		1,345	492		207	2,044
Miscellaneous	98	12,143	74	1,558	574	14,447
Payroll Tax Expense					18,901	18,901
Postage		111		242	4	357
Printing Expense	268	726	65	373	100	1,532
Prop. Tax Expense					1,523	1,523
Rent				9,377	171	9,548
Repairs & Maint.				7,694	430	8,124
Salary Expense	1,337	14,553	83,038	29,010	42,706	170,644
Supplies	219	569	1,505	4,609	609	7,511
Telephone	119	1,561		2,572	148	4,400
Travel		671	3,209	568	29	4,477
Utilities				1,044		1,044
	<u>\$ 2,737</u>	<u>\$ 35,495</u>	<u>\$ 98,211</u>	<u>\$ 81,643</u>	<u>\$ 68,467</u>	<u>\$ 286,553</u>

See accompanying notes and accountant's report.

OTHER REPORTS

To the Board of Directors
Family Life Community Development Corporation
4402 Fairy Street
Shreveport, Louisiana 71108

Independent Accountant's Report on Agreed Upon Procedures

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Family Life Community Development Corporation, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Family Life Community Development Corporation compliance with certain laws and regulations during the two year period ended December 31, 2008 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of Federal, state and local award expenditures for the fiscal years, by grant and grant year.

Family Life Community Development Corporation's Federal award expenditures for all Federal programs for the fiscal years follow:

Federal Grant Name	Grant Year	CFDA No.	Amount Awarded	Amount Expended 2008	Amount Expended 2007	Total Amount Expended
TANF After School For All	2006 - 2007	631961	\$150,000		\$ 44,409	\$ 44,409
CDBG Block Grant	2006 - 2007	PR0626219	25,000		12,933	12,933
TANF DSS	5/07 - 12/08	93.558	247,892	\$ 21,861	126,002	147,863
Department of Labor	2006 - 2007	17.261	75,000		48,266	48,266
Total Awards and Expenditures			\$497,892	\$ 21,861	\$231,610	\$253,471

2. For each Federal, state, and local award, we randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.

3. For the items selected in procedure 2, we traced the six disbursements to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, we determined if the six disbursements were properly coded to the correct fund and general ledger account.

Each item selected was coded correctly.

5. For the items selected in procedure 2, we determined whether the six disbursements received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the accountant and the chairman of the board.

6. For the items selected in procedure 2: For federal awards, we determined whether the disbursements complied with the applicable specific program compliance requirements summarized in the *Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for state and local awards, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed

We reviewed the previously listed disbursements for types of services allowed or not allowed. No exceptions were noted.

Eligibility

We reviewed the previously listed disbursements for eligibility requirements. No exceptions were noted

Reporting

We reviewed the previously listed disbursements for reporting requirements. For the programs selected for testing in procedure (2) that had been closed out or reported upon during the period under review, we compared the closeout report, when required, with the entity's financial records to determine whether the amounts agree.

The six disbursements selected included two Federal programs that were closed out during the period of our review. We compared the closeout reports for these two Federal programs with the entity's financial records. The amounts reported on the closeout reports agreed to the entity's financial records.

Meetings

7. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Family Life Community Development Corporation is only required to post a notice of each meeting and the accompanying agenda on the door of the Family Life Community Development Corporation office building. FLCPC management asserts that two notices were sent out to five neighborhood associations and went to the neighborhood associations meetings and mailed letters to residents in the neighborhoods. Flyers were also passed out to homes. We could find evidence supporting such assertion other than an unmarked copy of the notices and agendas.

Comprehensive Budget

8. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Family Life Community Development Corporation provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

9. We reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

There were two findings reported for the year ended December 31, 2006. Their current status is presented in the Summary Schedule of Findings.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Family Life Development Corporation Entity, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Agee and Agee, PC

April 15, 2009

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)
12/24/08 (Date Transmitted)

Agee and Agee, PC
5925 Line Avenue Suite 9
Shreveport, Louisiana 71106

In connection with your review of our financial statements as of December 31, 2008 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representation).

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal years, by grant and grant year.

Yes ☒ No ☐

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes ☒ No ☐

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes ☒ No ☐

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes ☒ No ☐

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Not applicable ☒ Yes ☐ No ☐

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Yes ☒ No ☐

Prior Year Comments

There were no audit or review recommendations for 2006 or 2007 as audit/review were not conducted.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

<u>Barbara A French</u>	Secretary	<u>12/26/08</u>	Date
<u>Barbara A French</u>	Treasurer	<u>12/26/08</u>	Date
<u>Joe L. O'Neil</u>	President	<u>12/26/08</u>	Date

**Family Life, Community Development Corporation
Summary Schedule of Findings
For The Year Ended December 31, 2008 and 2007**

Previous Year Findings and Management Responses:

1. Family Life CDC did not comply with the state law requiring submission of a compilation report within 6 months of the year ended December 31, 2006.

Management's Response: Family Life CDC will make every effort to comply with the State Audit Law in the future by having a certified public accountant prepare an annual report.

2. Family Life CDC did not post meeting notices and agendas on the doors as required by the open meeting laws.

Management's Response: Family Life CDC will keep copies of meeting notices posted, and letters mailed regarding these meetings in our files marked as to where and when they were sent to insure compliance with the law.

Current Years Findings and Management Responses:

1. Family Life CDC did not comply with the state law requiring submission of a compilation report within 6 months of the years ended December 31, 2008 and December 31, 2007.

Management's Response: Family Life CDC will make every effort to comply with the State Audit Law in the future by having a certified public accountant prepare an annual report.

2. Family Life CDC did not post meeting notices and agendas on the doors as required by the open meeting laws.

Management's Response: Family Life CDC will keep copies of meeting notices posted, and letters mailed regarding these meetings in our files marked as to where and when they were sent to insure compliance with the law.

Auditor's Comment: The December 31, 2006 Compilation Report and the December 31, 2008 and 2007 Review Report were conducted after the year ended December 31, 2008.